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LECTURE

ON THE

History & Objects of Co-operation,

BY

THOMAS HUGHES, Esq., Q.C.,

DELIVERED AT THE

CO-OPERATIVE HALL, DOWNING STREET, MANCHESTER,

ON MONDAY EVENING, APRIL 22ND, 1878.

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LECTURE BY MR. THOMAS HUGHES.

On Monday evening a public meeting was held in the Downing-street hall, for the purpose of hearing a lecture on co-operation, by Mr. Thomas Hughes, Q.C. There was a numerous attendance.

Professor ADAMSON, of Owens College, presided, and, in introducing Mr. Hughes, said that for many years that gentleman had been recognised as one of the foremost of those who had devoted themselves to the noble task of social improvement. Of the co-operative movement, which was a very important factor in that progress, he had had a very wide experience, and whatever he might say must be of the greatest value. (Hear, hear.) It seemed to him to be very desirable that, from time to time, some of those who were qualified to speak should review the principles on which the co-operative movement had hitherto proceeded. There was too much danger that the merely material side of the matter should be allowed to become the more prominent, and that the real and more important forces—the moral forces—should be forgotten. He knew no one who was more entitled to speak to them on these matters than Mr. Hughes. (Hear, hear.)

Mr. HUGHES then delivered his lecture, which was listened to with great attention and frequently applauded. He said:— A favourite—and deservedly favourite—teacher of our day, Mr. M. Arnold, was dwelling in his recent lecture on equality, on the need, becoming always greater as time goes on, of recognising the wellbeing of the many as the true object of human, or, as he would say, of humane effort. “An individual,” he writes, “or a class, concentrating their efforts upon their own wellbeing exclusively, do but beget troubles, both for others and themselves also. No individual life can be truly prosperous passed in the midst of those who suffer. To the noble soul it cannot be happy, to the ignoble it cannot be

4515

secure." Modern schemes, however, for the wellbeing of the many, have generally, he goes on to say, this fatal defect. "They are content with too low and material a standard of wellbeing. The instinct of perfection, which is the master power of humanity, always rebels at this, and frustrates the work. Many are to be made partakers of wellbeing. True; but the ideal of wellbeing is not to be on that account lowered and coarsened."

I, for one, most heartily agree with the main position of my old schoolfellow and friend, that the need is always becoming greater as the world gets older of recognising the wellbeing of the many as the true object of pursuit, for nations and for individuals. It seems to me, indeed, that we have arrived at a time when it must be, at our peril, not only the true, but the absorbing and peremptory object of pursuit—when the penalties of neglecting it, of turning to any other work, public or private, without bearing it constantly in mind as the ultimate object of individual effort—are constantly becoming more swift and keen than they have been in any former time.

I would gladly, therefore, see the words which I have just read—happy and well chosen, as are all the words of Mr. Arnold—written up in letters of gold over all places where men congregate, for work, or pleasure, or rest; over Parliament houses and law courts, and marts, and clubs. "No individual life can be truly prosperous passed in the midst of those who suffer. To the noble soul it cannot be happy; to the ignoble it cannot be secure." This is the lesson which all the conflicts and restlessness and eager impatience of the nations in our day ought to be reading to everyone of us, and I know not how it could be put in shorter or more felicitous language.

I can go a step further with Mr. Arnold, and admit that many of our modern schemes have failed, because they have been content with too low and material a standard of wellbeing—have placed before themselves, in short, too humble an ideal. Nor will this restlessness and eager impatience of the masses of the people—not only in our British islands, but from one end of Christendom to the other—ever be set at rest by any advance in mere material prosperity, so long as it holds true

(as I take it it will as long as the world lasts) that "the life is more than meat, and the body than raiment." Dimly and fitfully no doubt, but with strange recurrence and insistence, this truth has been acknowledged, even in most of the schemes of philanthropists, socialists, communists, to which Mr. Arnold refers as failures. Failures no doubt most of them have been, but it has been because they have forgotten, or not known how to be true to, their own higher mind. In almost all the watch-word nevertheless has been, not "bread," but "brotherhood."

My purpose, however, to-day is to speak of one of the schemes for the wellbeing of the many, which, so far from having failed, has passed through the weaknesses and disorders incidental to childhood and youth, throwing them off with a careless vigour which has astonished and encouraged again and again those who have been watching it; and is now emerging into lusty manhood as a power which will have to be recognised, and reckoned with, in future by statesmen and governments.

It cannot, however, be classed amongst modern schemes. In England it dates from the middle ages, when it found its first home in the monasteries, in which groups of men gathered together to protect themselves against the lawlessness of feudal barons, and to carry on industries of all kinds on the avowed principle of brotherhood. It will not, I think, be denied at this time of day that it was in the monasteries that trade first raised its head in England, or that the guilds and corporations which soon spread through all cities and towns were the legitimate offspring of the monasteries, and borrowed from them the principles and characteristics of their organisation as industrial bodies. I merely note this fact in passing, as a protest against the modern heresy, that the trade of England has sprung from competition, and not from fellow-work; and, that the "organisation of labour" is a pestilent notion, which we have imported from French idealists in these latter days, and which never had any root in English soil.

But I am not going to dwell on any of the old forms in which the principles, summed up for us now in the one word "co-operation," have striven, with more or less success, to assert themselves in this country. I do not even propose to

notice the remarkable effort with which Mr. Owen's name is associated, although there are still amongst us men, I am happy to say, in full vigour of mind and body, who took an active part in it. For all practical purposes it was at an end before the commencement of the movement which concerns us to-day.

But, although Mr. Owen's great establishments had failed, the industrial ideas upon which they were founded had taken root here and there in these northern counties. Small societies, in not a few towns and villages, struggled into existence, and managed in many instances to maintain themselves, and to grow, slowly but surely, notwithstanding the state of the law, which made it all but impossible for them to carry on the most ordinary business of life.

The only method open to them to protect their common property was by the cumbrous process of registering as friendly societies. For, under the Act of 1834, it was competent for societies established for any purposes not illegal so to register, and by registration to obtain the power of trading in the names of trustees; but in 1846, the year of free trade triumph, even this modicum of legal encouragement and recognition was cut down. The Friendly Societies Amendment Act of that year repealed the permissive clause of the Act of 1834, and enacted in its place that in future, before any society (other than an ordinary friendly society) could be registered, its purposes must be certified to be legal by the Registrar—a very different thing in practice, the obtaining of a certificate from the Registrar proving a formidable obstacle to small bodies of labouring men in remote country places.

Nevertheless, in these years, corporate life was beginning to stir. A considerable number of stores were registered as friendly societies, some of which (Mr. Ludlow, the present registrar, informs me) remain so registered to this day, and the Rochdale Equitable Pioneers opened their first store in Toadlane in 1844, with £20 worth of this world's goods, supplemented happily by trade principles, and a moral enthusiasm, which have made their experiment, and their town, famous wherever the English language is spoken.

It was not, however, till the great revolutionary crisis of 1848-9 that any strong impulse was given to co-operation in England. At such times the air seems to be charged with ideas which spread no one knows how, and often in places where one would least look for them. I don't suppose that the ideas of M. Louis Blanc, or the experiments of the provisional Government and the workmen of Paris, were known, except in the vaguest way, to one in a thousand of the working folk in the north of England; but nevertheless co-operation at this time took a start there as noteworthy, and more permanent in its results, than the famous Parisian movement, which, after surviving the barricades, withered in the first years of the second empire.

The stores in Lancashire and Yorkshire rose rapidly from units to tens, from tens to hundreds. The need of some sort of federation began to be felt, and conferences of neighbouring societies to be held in different localities to consider questions of organisation and joint action. For, as the societies grew in number and importance, and their trade began to extend beyond the supply of the simplest necessities of life, the state of the law was found to press very severely upon them. They were hampered at every turn, and found themselves going into action, as it were, in the great struggle for existence, not as men in proof armour but as men in fetters.

Aid, however, soon came to the north from an unexpected quarter. Hitherto the movement since Owen's time had been confined to the working classes. With the exception of Mr. John Gurdon, a Suffolk squire, who saw ahead of his time, and let two farms to labouring men, lending them money for stock and plant, no man in the middle or upper classes had stepped forward to help them. I am far from thinking that this had been a misfortune, or even a serious hindrance to the cause. In those early struggles it was far better that the workpeople who formed the societies should be left to find their feet for themselves. It was a hard struggle, involving many falls and much self-denial, out of which, however, they have come in the end full of a strength and self-reliance which could have been obtained in no other way. But the time had come when their ranks were to be reinforced by recruits, who brought with them

precisely the kind of knowledge and resources which were needed to give these qualities free play and a fair field, in the new time.

I do not propose to speak of the evils which co-operation is specially directed to remedy, as I should have to do in order to explain how it came about that the late Mr. Maurice turned his attention to the subject, and convinced himself that the true remedy for the misery and degradation in which great masses of our people were living, not only in London, but from one end of the country to the other, lay in co-operation. It is enough for our present purpose that the fact was so, and a very important one it proved for the co-operative movement. Mr. Maurice was then reader at Lincoln's Inn, and exercised a great influence over a number of the younger members of his congregation, who were accustomed to work with and under him. Of these, some did not share his belief, others shrank from embarking on an undertaking of such magnitude, in which the one thing certain was that they would be misunderstood and abused. Enough, however, remained to make a start, and what they wanted in numbers and experience they made up in energy and enthusiasm.

In the autumn of 1849, at the end of a series of meetings with workmen of different trades, their first experiment was made. An association of tailors was formed and established in a house in Great Castle-street, almost opposite to the building at the back of the Princess's Theatre, which has now become the Co-operative Institute; and in the beginning of 1850 the Society for Promoting Working Men's Associations was formed under the presidency of Mr. Maurice.

It would be beside our purpose to dwell upon the organisation of this society, which became for the next four years the centre of the co-operative movement, upon which it has left its mark deeply to this day. Many of its most prominent members, including the president and Canon Kingsley, have gone from us. Happily, two remain who were foremost in the tentative work of 30 years ago, and occupy positions in which their ripe and painfully-earned experience is still of the utmost value to the movement to which their best years have been so freely

devoted—Mr. Ludlow, as Registrar of Friendly Societies, and Mr. Neale, as general secretary to the union of societies which has now spread over the whole of Great Britain, and is represented by the Central Board, elected by the Co-operative Congress, now holding its yearly meeting in this city. But, though details of an organisation long since superseded may be superfluous, it is important to note the principle upon which the society was founded. Co-operation was declared by their constitution to be “the practical application of Christianity to the purposes of trade and industry,” upon every process of which the moral laws of righteous dealing, self-sacrifice, and common brotherhood must be brought to bear.

Mr. Arnold himself would, I am sure, acknowledge that here was a scheme for the wellbeing of the many, which, at anyrate, did not aim at too low and material a standard. The instinct of perfection—that master power of humanity—could not rebel against an avowed intention to bring every phase of human activity under the direct control of those great moral laws which, whatever their origin, have always been claimed as a main portion of the heritage of Christianity.

It was a bold step to take, especially by a society whose ruling body was presided over by a clergyman, and numbered several clergy amongst its most active members, and yet depended for its success upon the adhesion and support of a number of associations drawn exclusively from that section of our people who are supposed to be least open to, and most jealous of, religious influences. The result proved that the bold was also the true policy. The annals of the Society for Promoting Working Men’s Associations contain many records of failure and shortcoming, but none, so far as I am aware, of a protest by any society against their principles, which were loyally and even joyfully accepted by the associations in every part of the kingdom.

The promoters (as I shall call them for shortness) had scarcely settled their constitution and founded their first association, when they found themselves confronted by the legal difficulties already referred to. It was clear that, if the move-

ment was to succeed, the law must be altered, and they applied themselves at once to this task. The Bill, which passed two years later, was prepared by Messrs. Neale and Ludlow in 1850 and all the pressure they could command was brought to bear on the Government of the day to take charge of it, but in vain. Fortunately Mr. Slaney, then member for Shrewsbury, in the next year obtained a committee to inquire into the investment of the poor; taking advantage of which, the promoters brought forward such overwhelming evidence (including that of Mr. Mill) as to the need of recognising and extending legal protection to co-operative societies, as induced the committee unanimously to report that it ought to be done, and done at once.

Nor were the co-operators of Mr. Owen's school backward in welcoming their new allies, even when, as in the case of Mr. Holyoake, they could not accept some of Mr. Maurice's premises. The conclusions, however arrived at, were—they could not but admit, in fact—their own; and Mr. Lloyd Jones, Dr. Travis, and others became active members of the central society.

This was represented in the press by the *Christian Socialist* newspaper, edited by Mr. Ludlow, in which some of the best articles I have ever read on social and industrial reform appeared from his pen and those of Mr. Maurice, Canon Kingsley, Mr. Neale, and others. It would be unjust to pass without a word the services in the same cause of the *Leader*, a Liberal newspaper of that day, which alone, amongst papers addressed to the upper classes, took the same ground, and maintained stoutly and with much ability that competition, as developing in England, must destroy in the end both family life and industrial prosperity.

Accordingly, at the opening of the session of 1852, Mr. Slaney brought in his Bill, and it became law in the summer. Two members of the new Government had sat on the committee, and gave efficient help in the House. These were Mr. Henley and Lord John Manners, to whom, as well as to Mr. Slaney and his two coadjutors Mr. Sothern and Mr. Tuffnall, the thanks of the societies assembled in their first general conference were duly tendered.

The passing of this Act formed a most important epoch in our co-operative annals. The occasion was felt not only to justify, but to necessitate, an effort to consolidate the movement, and the ground had been already prepared for such an effort. The societies in the northern counties had been visited by individual promoters on several occasions, and by a deputation headed by Mr. Maurice, which went to Bury, Bacup, and Manchester by special invitation, at Christmas, 1850. The northern stores were all by this time in communication with the London centre, had taken part in urging the passing of the Bill, and were eager now to turn it to the best advantage.

The main object of the first conference was to consult how this could be done.

This conference met in the hall of the society in Great Castle-street, finished for the occasion, on the 26th of July, 1852. The provisions of the Act were explained to, and discussed by, the delegates, at whose request the promoters undertook to prepare an explanatory statement, and model rules for societies desiring to register, and to circulate these amongst all co-operative bodies in the kingdom; and then, passing from this special business, the delegates, after some discussion, resolved unanimously, "That this conference entreats all co-operative establishments. for the sake of the general good, to sell all articles exactly for what they know them to be, and to abstain as much as possible from the sale of all articles known to be adulterated, even if demanded by their customers."

They also appointed committees to draw up plans for the establishment of wholesale depôts for the supply of stores; to consider and adapt a plan for a Co-operative Investment Society, and to communicate with all co-operative societies in existence with a view to obtaining their support for the establishment of a newspaper. They also resolved, "That an executive committee should be appointed to transact such business as might be brought before it connected with the movement, and to prepare for and report to the next conference, which was to be held at Manchester in 1853."

From the above summary of their work it will be seen that

this first general gathering was already engaged upon almost the same questions as our Congress are dealing with to-day at Manchester. It was attended by delegates from 28 societies only ; but as the adhesion in writing of several hundred other societies was received, who, though sending reports, could not afford, or were otherwise unable, to send delegates, the conference was in fact a representative one.

Contemporaneously with the first general conference the annual festival of the Society for Promoting Working Men's Associations was held, and their first report presented. At the festival the London Associations presented a testimonial to Mr. Maurice, accompanied by a touching address, acknowledging the true catholicity which had brought him to their aid in their attempts to improve their condition by means of association, "at all times pointing out the moral principles of action by which alone such associations can become successful." In his address in reply, Mr. Maurice most characteristically dwelt on the danger lest the Act of Parliament which gave them legal existence might not prove a snare rather than a strength to the associations, leading them to trust in it rather than to the spirit of self-sacrifice which was the necessary ground of every man's life.

The report gave the particulars of the work which had been done in three years—the establishment of 13 associations for production, and of the central co-operative agency as a centre for organising distribution, the publication of tracts and of the *Christian Socialist* newspaper, the delivery of courses of lectures, and other propagandist work ; admitted frankly the difficulties which had not been foreseen, and the failures which had happened ; and noted the extraordinary spread of the idea of fellow-work "in the past three years, but more especially in the preceding nine months."

During the next year the constitution of the Society for Promoting Working Men's Associations was modified so as to suit the new circumstances and its name changed to the "Association for Promoting Industrial and Provident Societies." This new constitution declared the principles of the association to be—

1. That human society is a body consisting of many members, not a collection of warring atoms.

2. That true workmen must be fellow-workers, and not rivals.

3. That a principle of justice, not of selfishness, must govern exchanges.

The functions of the association were to consist in promoting these principles by their own example, and by speech and writing, and to afford legal and other assistance to all societies registered or seeking to register; to present their grievances in official quarters, and to watch and procure amendments of the law for the better carrying out of the principles and objects of the association.

During the same year the executive committee did their best to carry on the work for which they had been appointed, and made some progress, but found the organisation of the movement uphill work. In due course they called the next conference at Manchester on the 15th of August, 1853, where it was held in the Mechanics' Institute. The delegates present represented 34 societies, against the 28 represented at the previous conference in London—a very small increase, which showed how little the necessity for union was yet understood.

The report, after speaking of the model rules which had been prepared and distributed, and of the plans for better organisation which had been matured and would be submitted, went on to comment on the apathy of co-operators generally in this matter. They urged that, unless the societies took it in hand in earnest, they would end just where they began, as isolated bodies, unable to deal with large affairs, or to influence to any useful extent the condition of the labouring classes. Scotland was held up as an example, where, in the course of their inquiries, stores had been discovered, which had been working 20, 30, and one or two as many as 40 years, and which still remained entirely apart from each other, nothing more than small retail shops, the members of which, except in a few rare instances, desired nothing more. The report, after explaining the committee's own proposals, urged most earnestly that, if these were not adopted, at anyrate "something should be done

without further loss of time to give concert and coherency to the co-operative movement." "At present," they sum up, "it is co-operation in name rather than in spirit and fact, and it remains for this conference to say whether from the present moment it shall aim at the performance of a higher and more complete work in a wiser and truer spirit, or whether it shall go on divided and isolated in its parts, spreading discouragement where it fails, and where it succeeds giving birth to a greedy desire for gain, rather than to those higher and more elevating feelings which we have all supposed to be the legitimate result of a true and earnest co-operation." Roused thus to a sense of its higher duty, the conference went to work and passed a resolution adopting "the principles laid down as the basis of the Association for Promoting Industrial and Provident Societies, as the true foundation of social reform," approved and passed several sets of model rules, and recommended the adoption of the plans for union of the executive committee.

In the discussions two matters were debated, which are far from being satisfactorily settled even yet,—the payment of managers, and of labourers employed by associations. After much argument, it was resolved by a large majority that the principle of giving a share of profits to all who had shared in the work was essentially just, and that if it were abandoned co-operative societies would lose their most valuable characteristic. On the other hand, although no resolution was passed, the general feeling was evidently opposed to giving adequate salaries or payment by a share in profits to managers.

Once more Mr. Maurice was called on to preside at the festival which followed the conference. Being in Manchester, he took the opportunity of noticing the very valuable principles which had been asserted in that city, "principles which the friends of co-operation were often supposed to be anxious to impugn, but which he himself had never regarded except with the greatest respect." He wished to say how entirely true he thought the maxim was which some persons who denounced the advocates of co-operation were continually enforcing—that in all these things we must act on the laws of nature, and the practical laws of the world, and that we could not bring in

mere sentiment or feeling to impugn or counteract those laws. But he held that co-operators were asserting those laws. The great danger had been this—that men had laid down very imperfect and one-sided laws, which they called laws of the universe; and so benevolence had had to step in, and provide remedies for the consequences which followed. This had caused great industrial inconvenience, as well as great moral evil. Human nature, Christianity, and co-operation alike taught that men must be controlled by moral law, and until that was acknowledged the continual fighting of man against man, employer against employed, would never cease. As soon as the law was proclaimed and observed that men should help one another, and live for one another, and that so only could they live for themselves, society would be kept in union by a power mightier than selfishness. Industrial associations would be the instruments of this moral education, translating these principles into the business of practical life.

The reports of societies presented to this conference showed a very great advance on the previous years. But they were still in their infancy. For example, the Rochdale Pioneers numbered only 603 good members out of 700 on their books, and their business in 1872 had only amounted to £16,352, leaving a profit of £1,206, and their shops were open only in the evenings.

Before separating, the executive committee was re-elected, and Leeds named as the place of the next conference. But, so far as I have been able to ascertain, no general conference was held again for many years. In consequence of the failure, from one cause or another, of most of the London associations, the central association discontinued its monthly meetings, which were no longer necessary, and practically settled down into a committee for advising associations, preparing and revising their rules, and obtaining amendments and modifications of the Industrial and Provident Societies Act. In this way the services rendered by Mr. Neale, Mr. Ludlow, Lord Ripon, and others, to the cause of co-operation were invaluable, and deserve to be remembered with gratitude.

I have only been able to give this meagre sketch of the

great revival of co-operation, thirty years ago, when the impulse was given which has gone on acquiring new strength and momentum ever since. Of the controversies which that revival raised in the press and in the country there is no time to speak. Their general effect, I think, was, to convince the public at large that the movement was neither revolutionary nor dangerous to property, and all those who took the trouble to examine it with any care, that it was educating large numbers of the poorer classes in the best sense, and opening up a future for them such as they had hitherto scarcely dreamt of.

To sum up: during the four years in which the London centre had thus taken the lead several most important points had been gained. Co-operative societies had been legalised for all purposes, except dealing with land, and banking. The moral side of the movement had been brought into prominence, and principles had been accepted as essential, and incorporated in the constitution and rules of the societies, which have retained their hold, and are to this day always appealed to as fundamental. And lastly, the necessity for closer union between the societies had been demonstrated, and considerable advances made towards its attainment.

On the other hand the experiment of the London and other productive associations had proved that the English artisans, as a rule, were not yet able to carry their principles into practice successfully. The Central Agency—an anticipation of the Wholesale Society, which had been founded by Mr. Neale—had received no adequate encouragement and support, and had been wound up, and the struggle for existence was still too keen amongst the societies generally to allow of their devoting the necessary time and money to the support of any large scheme for federation or united action.

The next event of any public interest in the co-operative world was the publication, in 1857, of Mr. Holyoake's "History of Co-operation in Rochdale," which attracted general attention, and gave a new stimulus to the movement. The stores throughout the North were now growing rapidly in importance and wealth, opening new departments, and feeling their way towards united action. At length, in 1864, their plans were

matured, and the Co-operative Wholesale Society was formed, as a confederation of stores. The idea, indeed, was by no means new. To say nothing of the attempt made by Mr. Neale to found a Central agency in London in 1850-56, under all the difficulties caused by the then law of partnership to such an undertaking, the scheme is fully worked out in the report of the Congress held at Manchester, as above mentioned, reprinted in the *Co-operative News* of last year (p. 177), where Mr. James Smithies, who took afterwards a leading part in setting the Wholesale on foot, was present. While it appears from the letters of Mr. R. Newton and Mr. Lloyd Jones (pp. 260 and 297), that Mr. Lloyd Jones had previously drawn out and given to Mr. Smithies a detailed prospectus of such a federal institution (published in the *News*, p. 260).

All honour, nevertheless, to those who, by their perseverance and the confidence they inspired, overcame the difficulties of putting the idea into practice. It was but a feeble essay at first. Starting with a capital of £999, it made a small loss of £39 in its first half year, followed in the next by a profit of £306. Its progress since that day has been one of the most remarkable features of the movement, and has falsified the predictions of failure which its thoroughly democratic constitution excited at first. I have only space to give here the result of its 14 years' trading as shown by the last half-yearly balance sheet and accounts. On January 12th of this year there were 844 societies in union, and having accounts with the Wholesale. They purchased in the last quarter of the year 1877 £680,811 worth of goods from the three departments in which the Central Society is now organised—viz., grocery and provisions, drapery, boots and shoes, and furniture. The cash receipts for the same period from all sources amounted to £1,415,580, and the business done in the year to £2,827,052. In 1866, two years from their start, the Wholesale Society established a branch in Tipperary for purchase of produce; in 1868 another at Kilmallock; in 1869 another at Limerick; in 1874 another at Clonmel; in 1876 another at New York, and last year one at Cork. Besides the Manchester establishment, they have now local centres in London, Newcastle, and Liverpool, a biscuit

factory at Crumpsall, a shoe factory at Leicester, and soap works in Durham. It has become, in short, the backbone of the movement commercially, and, though there are questions of great importance connected with its administration as to which the societies composing the constituency are much divided in opinion—such as the payment of the workpeople employed in the society's factories, and the separation of the banking from the other business—the management has been such as to maintain their confidence, and to prove the educational value commercially of the co-operative movement, and the capacity of our working classes to manage large affairs when they get the chance.

Almost contemporaneously with the establishment of the Wholesale Society an entirely new and very important development of the co-operative movement came to birth. Hitherto the upper and middle classes had ignored the movement or looked on superciliously, but at last the steady success of the northern stores set them on considering whether they too might not do well for themselves by an attempt to organise consumption on the same lines. Hence came the establishment of the Civil Service Supply Association, and the other societies which have followed in its wake. These have adopted the ready money system and other parts of the machinery of the northern stores, but are (with very few exceptions) registered as joint-stock companies, and have carefully confined their efforts to buying in the cheapest market and distributing in the most economical way. Beyond this they have not gone, and have shown as yet no intention to go. One result of this has been, that the general public, instructed by the metropolitan press, has been misled, and, taking this part of the movement as representative of the whole, has concluded for the present (to use the words of the *Fortnightly Review*) that "co-operation concerns itself solely with the redistribution of capital and its products: for the employment and duties of capital it has no word." I need scarcely say how entirely this misrepresents the views and principles of the great body of co-operators in this country, as represented in their Congress now in session in this city.

Another and far more hopeful development of co-operation

followed in the establishment of Partnerships of Industry, an effort of capitalists to place the relations of employer and employed on a juster footing. But here, too, as in the case of Christian Socialism, the time was not ripe. Mr. Briggs and Mr. Greening, who were the moving spirits, were too sanguine in the belief that they could convert masters and workpeople at once to their own faith in industrial partnership as the true solution of the labour question. At a conference summoned by the latter at Manchester, in June, 1866, the principle was first publicly discussed, when Mr. Briggs, in answer to objectors, declared his own experience so far as it had gone, to prove that employers would make more money by associating the workpeople and giving them a share in profits. But this, he added, was not his reason for adopting the plan. His firm had done so to improve the condition of the men, and, if possible, to avoid disputes, and get peace and honest work in future. And all persons engaging in this work could not stand too distinctly by the great principles of giving the labourer, as such, a share of profits. Nor must they mix up with this the fact that a labourer was entitled to profit when he laid by his money and became a small shareholder in the firm, as many of theirs had done, because then he was entitled to profit as a capitalist, apart from his share as a labourer.

I have cited Mr. Briggs because his firm have been taken as the representatives of the principles of industrial partnership, and it has been assumed, because the bonus system has been abolished in their works, that the principle has broken down. I have no space to give details, but may say that no such conclusion can be fairly drawn from the facts. Mr. Briggs' collieries were converted into a Joint Stock Co., and in the very prosperous times four years ago the shareholders demurred to the fixed payment of 10 per cent allotted to capital, which only took a proportionate share in all profits above that sum. From this source arose the dissensions which ended in the men joining the South Yorkshire strike, and the abolition of the bonus system. Fairly looked at the facts seem rather to prove that, had the original arrangement been strictly adhered to there would have been no strike, and the

bonus system would have remained to this day. It has been adopted in a modified form in many works and manufactories, and it is yet likely, I believe, to do all that has been foretold of it by such sanguine advocates as Mr. Greening.

It was, in a great measure, owing to this gentleman that the general conferences, so long discontinued, were re-established, in 1869. For some years meetings of the northern societies had been held on Good Friday, under the "Conference Committee of the Lancashire and Yorkshire Co-operative Societies," who joined cordially in the proposal to make trial of a general Congress. A guarantee fund for the expenses of the experiment was formed, and Mr. Pare, an old disciple of Mr. Owen, undertook the arduous duties of honorary secretary. The first Annual Congress of the new series was held in London on the first and following days of May, 1869, at the Society of Arts. Almost all the larger societies of the north were represented, and the gathering drew together many of the old promoters, as well as a number of M.P.'s and gentlemen interested in the labour question. One new feature in the Congress was that reports were presented from co-operators in France, Germany, Italy, Denmark, Switzerland, Sweden, and Algeria, as to the condition and prospects of the movement in those countries. Another, that the leading trade societies sent delegates, who cordially supported a recommendation from the Congress to the unions generally, to enter upon some plan of action for the furtherance of co-operation in their respective trades. Although no more than 60 societies were actually represented, so many had signified their adhesion that no hesitation was felt as to the expediency of at once endeavouring to organise a general union. Accordingly, a committee was appointed for this purpose, and to carry out the resolution of the Congress.

This committee (with Mr. Pare still as secretary) organised the next Congress, which met at Manchester, on Whit Monday, 1870, at which a Central Board was formed, with a London and a provincial Section, to conduct the public business of the union during the year, with power to appoint and pay a secretary and agents, and a levy of 1d. a member of the societies in union (already numbering more than 100) was recommended. It was

resolved to establish a co-operative newspaper, and also that every co-operative society in the kingdom should be advised to apportion a percentage of their profits to educational purposes.

I need not take up your time by continuing the report of what has now come to be the national co-operative yearly congresses (Scotland and Ireland having now joined, though the latter is seldom represented by more than three or four delegates) which have continued to meet regularly from that time on Easter Mondays. They have grown steadily in size and in interest, until at the last, which was held at Leicester, some 180 delegates attended, representing 470 societies in union and contributing to the Congress fund. The Congresses have divided the kingdom into six sections—the Scottish, Northern, North-Western, Midland, Southern, and Western. The United Board meets quarterly at Manchester, and each of the Section Boards monthly. The transactions are printed and circulated, and the branch secretaries are in constant communication with the general secretary and with each other, on matters of interest to the constituencies generally. In each section local conferences have been organised, which are ambulatory, each neighbourhood being taken, as far as may be, in turn. The *Co-operative News* has been made the organ of the society, having succeeded the *Co-operator*, which (thanks to the energy and devotion of Mr. Pitman, its proprietor) bridged over nearly the whole gulf between the death of the *Journal of Association* and the general revival above noted at the first of the congresses in 1869. In short, the co-operative Congress has grown into a very genuine labour parliament, elected yearly, of which the Central Board, also elected yearly by the deputies at the Easter Congress, is the cabinet.

In the National Parliament (and so far as one knows in all political representative assemblies) there is a permanent and well-recognised distinction between Liberals and Conservatives—the party of progress and the party of reaction. Hitherto, however, no such cleavage has taken place in the co-operative parliament. There are certain questions still unsettled as to policy, upon which strong differences of opinion exist, but as yet no difference upon questions of principle has arisen, such

as there must be to divide men into parties. Such a question, indeed, seemed likely to arise on one of the fundamental principles which have guided the movement for 30 years—the recognition of the claims of labour to share in profits. But at the Leicester Congress the issue was raised distinctly, and the decision to stand upon the old lines was affirmed by so large a majority that, in the words of the report, the minority almost disappeared. The resolution in question runs thus: “That we reaffirm our unaltered conviction that all co-operative unions for production should be based upon the principle of conciliating the conflicting interests of the capitalist, the worker, and the purchaser, through the equitable division amongst them of the fund commonly known as profits.” It is not within the jurisdiction of the Congress to carry out their decision in particular cases, as each society is left free to control its own internal affairs; but, after so emphatic a declaration of principle, the question of recognising the right of labour to a share of profits in all societies in the union may be considered as settled.

I may be allowed, perhaps, here, to cast a glance forward, and to refer to one or two of the subjects which will come before the present Congress, in proof that the movement is growing and developing. The first of these is a plan for bringing the trade societies into the union by the establishment of co-operative stores in connection with each union, and devoting all profits made in this way to manufacturing purposes. Without prejudging a plan, the details of which have never been discussed, one may fairly, I think, assume, that in this or some other way trade unions are likely to turn to some form of co-operation as a part of their work, without giving up the objects to which they have hitherto confined themselves. At their congresses they have again and again pledged themselves to co-operative principles, and, in spite of Sir Edmund Beckett and his followers, those who know them best will not easily believe that such pledges are only given with a view to throw dust in the eyes of the public.

Again, Mr. Hodgson Pratt, the indefatigable president of the Working Men’s Club and Institute Union, who is also now a member of the Central Board, will bring before Congress the

question of making the clubs into distributive centres, and so bringing the two bodies into closer alliance. Here, too, there is a general desire on both sides for union; and that being so, there can be little doubt that it will be so arranged, if not this year, then next, or the year after. We, who have seen such great and unlooked-for results already achieved, can afford to be patient—time is on the side of co-operation.

Yes, time is, no doubt, on our side; and not only time, but the whole drift and tendency of modern life and modern ideas. The power of association to lift the masses of the people in every country to a fuller and higher citizenship—to give them a steadily increasing influence, not only on the conditions of their own lives, but on national affairs and national life—is the most obvious, as well as the most important, phenomenon of this last half of the 19th century in which we are living. Industrial association is the latest born of the forces at work in modern society, and the most potent for good or evil. Statesmen and politicians look at it with considerable misgivings; while it haunts the dreams of timid persons, who clothe it with all sorts of dreadful attributes, and give it bad names—as “big black democracy,” “communism,” “socialism,” the revolution, and so on. And no one will be inclined to deny that there is infinite danger, as well as infinite hope, for society in this waking up of its largest class. The very name that class has hitherto been known by—“the masses”—proves that it has not till our day asserted itself, or been recognised as a part of organised society. And this name—“the masses”—aptly described its condition—a floating mass of atoms without coherence or order, and, therefore, without power.

But that state of things has passed, never to return. The atoms have learnt, or are fast learning, how to combine; and the all-important question for every nation is upon what principles these masses shall organise themselves.

They are told by many eminent teachers that wellbeing depends upon the possession of material things; and that, as material things are necessarily limited, their possession must be striven for, every man's hand in the struggle being of necessity against his neighbour. This is the primary fact, it

is said, of human society ; and all law, jurisprudence, compacts, government, as well as all communities, fellowships, and unions, are only so many fruits of mutual suspicion, so many compromises as to the extent to which each man should be allowed to take advantage of his neighbour. One of the most uncompromising of these teachers, Sir E. Beckett, has lately, as you all know, been taking those modern combinations of the masses in England, which are known as trade unions, to task, and telling them that competition is, and must always remain, the real and the only check upon masters and workpeople, buyers and sellers, producers and consumers. It is "only lunatics," he assures us, who question this eternal fact ; and the sooner workpeople recognise this, and keep themselves free to take advantage of their employers' jealousies, and to compete against one another for work, the better it will be for England.

Now, in passing, and speaking as I am to-day in the metropolis of England's greatest industry, which is threatened by a strike of quite incalculable magnitude, I cannot help protesting against the tone which Sir E. Beckett assumes, and the advice which he gives to the unionists. As he himself seems to anticipate, it is not likely to have much effect, for, besides being steeped in bitter scorn, it is so manifestly one-sided. But is it well that men in his position should become advocates in this matter ? He is too angry with the unionists to keep himself from the most palpable contradictions in his eagerness to state the case against them. Thus he takes them severely to task for saying they are not paid for thinking, and then, within a page or two, would deny them the right to think. He tells them that "depressions of trade have always occurred periodically from over-production, and, no doubt, always will," and that "over-production is the result of the miscalculations of employers and speculative traders as to the quantity of goods which will be required." But when the unionists assent to this, and, claiming the right to think, desire to check these miscalculations of employers and speculative traders by their own common sense, and to resist their mischievous efforts at over-production by limiting production, he can scarcely find language strong enough to denounce their presumption and

folly. "Right to think on such a subject! You foolish workpeople! Keep in your own places—mind your own duties—save out of your high wages in prosperous times against periods of depression of trade, which your employers and their customers will most assuredly provide for you periodically in the future, as they have in the past. Don't presume to meddle with external laws, you foolish workmen." What good can any human being hope for out of such talk as this? Sir E. Beckett's pattern workman seems to be a sort of gutta-percha figure, which its owner may squeeze into any shape he likes—who will work quietly for any number of hours his employers may fix, and receive at all times the highest wages he can get, by the simple process of underbidding all his fellows.

It is no business of mine, or of co-operators, to defend trade-unionists, but so far as this question is concerned it is only fair to say that we agree with them. We hold, at least as strongly as the unionists, that such teaching is wrong in principle and most dangerous to society, so we must be content to be set down also as lunatics by Sir E. Beckett and those who agree with him. We are quite certain that he and they will never stop the masses of our people from combining, and that all they can do will be to turn that combination, as they seem bent on doing, in a wrong direction; to make it the instrument of a more desperate war of class against class, employer against workpeople, "the haves" against the "have nots."

We, on the contrary, hold it to be of quite unspeakable importance that our working class should be taught to combine in their workshops, stores, clubs, factories, and places of amusement, on what Sir E. Beckett calls "lunatic" principles—the principles of human fellowship—in the belief that this, and not antagonism, is the true quickening principle of society, the true stimulus to industry, the true antidote to laziness and despair. It is this belief which is formulated in those three principles of association which, as I have already said, were adopted unanimously at our first co-operative Congress in 1852, and have been acknowledged ever since by the societies represented in our Union. Whatever dress it may put on elsewhere,

industrial association in England will, I trust and believe, always continue to regard those three now venerable rules as fundamental—

1. That human society is a body consisting of many members, not a collection of warring atoms.

2. That true workmen must be fellow-workmen, and not rivals.

3. That a principle of justice, not of selfishness, must govern exchanges.

It is worth while to be constantly reminding ourselves of the principles to which we are pledged, as we all know how strong the temptation is to use our organisations for the mere acquisition of wealth, after the example of the competitive world—to follow after the idols of false cheapness and large profits, without a thought of how the pursuit affects anyone except ourselves. It is upon these principles that we hope to see trade and industry reorganised, for it is a question between such a reorganisation and disastrous collapse and ruin. The present state of trade; the stagnation, the distrust, the strikes, and threatenings of strikes, which are weighing on us so heavily, and making men doubt whether the day of England's prosperity has not passed, are only the legitimate results of the fierce and purblind competition of a society bent before all things on the acquisition of wealth; and all these evils will only recur at shorter intervals, and with greater intensity, as time goes on and the struggle waxes fiercer and fiercer.

On the other hand, as "the masses" organise themselves on our principles, the prospect of the future will become clearer and brighter. In spite of the stereotyped taunts about people who want "a new code of laws of nature," who won't be content without "having the world made over again for them," we co-operators intend, I trust, in the future, as in the past, to stand firmly by these principles. It is needless to speculate upon what we expect will come of this. I am no believer in millenniums. I have no faith in any good coming to any class, or to any man, without much hard work and much self-denial; and the question still remains to be solved how much hard work, how much self-denial, are our working people prepared to throw into co-operation. —

But this much I am prepared to say, that to a certain extent co-operation, as represented in our Congress, has already organised consumption, and to some extent production also, for more than a quarter of a million of Englishmen, or, in other words, for at least some 3,000,000 of English citizens. What does that mean? Why, it means that the scramble of life, the struggle for existence, has been made easier for all these English folk. All who are the least aware what that struggle implies will ask for no nobler testimony of work for any movement. And all I would ask is, Why, what has been done already in 25 years, imperfectly, no doubt, for 3,000,000, should not, in 50 years, be done far more perfectly for 10,000,000? It is the first steps, as we all know, which are the difficult ones; and these have been taken, and taken successfully. What may be done for 10,000,000 may be done in time for a nation. Why not?

The very thought of a nation whose industry is organised on co-operative principles fills the mind with visions of a time when the love of work, when pride in the work of the hands, as well as the brain, will take its proper place again (if, as we are told, it was ever there) in the lives of our people—when, at last, the great problem of the nineteenth century will be solved, and the union between labour and capital will stand out as a fact, and not a dream. But it takes a poet to speak of such a time as that, so let me end with the words of a very great one:—

Surely the wiser time shall come
 When this fine overplus of might
 No longer sullen, slow, and dumb,
 Shall leap to music and to light.

In that new childhood of the earth
 Life of itself shall dance and play;
 New blood in Time's shrunk veins make mirth,
 And labour meet delight half way.

Meantime we can safely recommend this particular form of the pursuit of the wellbeing of the many to the most fastidious seekers for equality under the guidance of Mr. M. Arnold, as well as to the rest of the English nation, as one which has never yet been known to fail in satisfying the instinct of perfection of any man who has given it a fair trial.



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